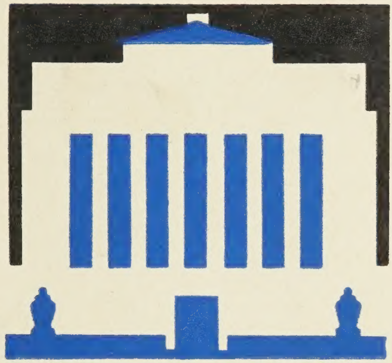

BANK OF CANADA

ANNUAL REPORT TO MINISTER OF FINANCE

AND STATEMENT OF ACCOUNTS

FOR THE YEAR 1952

BANK OF CANADA

Ottawa, February 5th, 1953.

THE HON. D. C. ABBOTT, Q.C.,
Minister of Finance,
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Bank of Canada Act Amendment Act, I am enclosing herewith in duplicate a statement of the Bank's accounts for the fiscal year 1952, signed by the Governor and the Chief Accountant, and certified by the Auditors, in the form prescribed by the by-laws of the Bank.

Before proceeding with the report which accompanies this statement, I wish to refer to the great loss suffered by the Bank in the death of Dr. W. C. Clark. In his capacity of Deputy Minister of Finance, Dr. Clark was a Director of the Bank and a member of the Executive Committee during the whole period of the Bank's operations. Earlier he had played a considerable part in the developments which led to the creation of a central bank in Canada. Through his unremitting interest in the Bank's affairs he made a very real contribution to the institution. He will be greatly missed.

ECONOMIC CONDITIONS ● Although there had been during the latter part of 1951 some easing of the extreme demands on available supplies of goods and services which had earlier created an inflationary situation, the overall position still remained fairly tight at the end of 1951. There was, moreover, in prospect for 1952 a considerable further increase in defence expenditure and some rise in new capital investment which would tend to aggravate the situation. In the event, however, a number of favourable developments resulted in less inflationary pressure than in 1951.

The average cost of our imports, which had already started down in the latter half of 1951, continued to decline during 1952. On the average in 1952 our import prices in terms of Canadian dollars were about 12 percent lower than in 1951. This was a very material help in arresting the previous upward course of the Canadian price level.

Export prices declined less than import prices during 1952 and appear to have been only slightly less on the average than in 1951. In consequence, although the physical volume of exports and imports expanded by about the same proportion, in terms of dollar value there was an improvement in our position on merchandise trade which was the major factor in closing the large current account deficit which had existed in 1951. There was a continued inflow of capital from abroad in 1952 for direct investment and from the sale of new security issues abroad by domestic borrowers. Offsetting this inflow was an outward movement of other forms of capital. The foreign exchange value of the Canadian dollar appreciated by nearly 5 percent during the year and influenced the trend in Canadian prices referred to above.

Merchandise Trade(1)

	Millions of Dollars		Indexes 1951 = 100	
	1951	1952	Price	Volume
Exports	3,963	4,356	98	112
Imports	4,085	4,031	88	112
Balance	−122	+325		

(1) Based on unadjusted trade returns including re-exports; estimates of price and volume should be regarded as approximate only.

A large part of the increase in the physical volume of our exports was provided by the above-average yields of grain crops in 1951 and the record crops of 1952. Livestock production also increased, there was an abundant supply of meat on the domestic market and prices fell considerably, accounting for about the whole of the decline during 1952 in the Consumer Price Index. Export markets for livestock and meat, however, were limited following the outbreak of foot-and-mouth disease early in 1952.

In addition to the rise in agricultural production there was substantially increased output in the service industries and mining in 1952. For the year as a whole there was a slight increase in output from manufacturing industries as compared with 1951, with the first half of 1952 being somewhat lower than the corresponding period of 1951 and the second half somewhat higher than 1951.

Changes in the Gross National Product and the various demands made upon it are illustrated in the following table. Estimates of price and volume factors should be regarded as approximate only.

Canada: Estimated Expenditure on Goods and Services[1]

	1951	1952	Increase from 1951 to 1952		
	Billions of Dollars		Billions $	Physical Volume %	Price %
Personal Consumption Expenditure . . .	13.3	14.3	1.0	6	2
Combined Federal, Provincial and Municipal Purchases of Goods and Services . . .	3.2	4.2	1.0	25	5
New Expenditure on Housing, Plant and Equipment . . .	3.8	4.1	.3	5	3
Change in Inventories[2] .	1.6	.2	–1.4		
Exports (including services)	5.1	5.6	.5		
Total Expenditure (including import content) .	27.0	28.5	1.5		
Less Imports (including services)[3] . . .	5.6	5.5	– .1		
Gross National Expenditure . . . (Gross National Product)	21.4	23.0	1.6	6	

(1) Based on National Accounts: Income and Expenditure: Preliminary 1952, prepared by the Dominion Bureau of Statistics. Minor adjustments have been made in the process of rounding off the figures.

(2) Change in book value of inventories in the non-farm sector and current value of the physical change in farm inventories.

(3) The import content of the expenditure components shown in the first part of the table must be deducted in order to arrive at a figure of expenditure on Canadian resources.

The increase in expenditure on goods and services by Federal, provincial and municipal governments in calendar year 1952 was about $1,000 millions. Of this amount, it is estimated that defence expenditures accounted for nearly $700 millions. The remainder of the rise in total government expenditures was partly due to higher prices and wages, partly due to larger capital investment by provincial and municipal governments and partly due to larger inventories in the Federal Government sector.

The increase in new capital expenditures on housing, plant and equipment during 1952 is now estimated to have been somewhat greater than seemed to be in prospect at the first of the year. The pattern of such expenditure does not appear to have changed in any marked way as compared with 1951, with the emphasis

remaining on resource development and defence-supporting industries. Increased investment took place in petroleum, iron and steel, hydro-electric power, transport and communications, chemical and non-ferrous metal industries. On the other hand, less expenditure was shown by trade, finance, commercial services and manufacturers of consumer goods. Housing investment for the year as a whole showed a slight increase as compared with 1951.

There appears to have been very little overall increase in the book value of inventories during 1952 in contrast with the situation in 1951 when inventory accumulation absorbed a large part of the year's increase in the Gross National Product. The rise in the value of inventories in 1952 was probably more than accounted for by larger stocks of agricultural commodities.

There was an estimated increase of 6 percent in the physical volume of personal consumption expenditure in 1952 in contrast with no rise during 1951 and a much smaller average rate of increase in the post-war period. Almost every important category of expenditure appears to have shared in this increase during 1952.

No doubt the major reason for the rise in consumption was the sharp increase in real personal income which has taken place during the last two years. Most of this increase occurred as a result of higher wage-rates rather than more persons being employed. In dollars and cents terms the largest increase in average wages came in 1951 when consumer prices were rising, but in terms of real wages the increase was much greater in 1952 when consumer prices declined. Changes in average industrial hourly earnings are shown in the following table: NB.

Average Hourly Earnings in Industry(1)

	Cents per Hour			Percentage Change	
	Dec. 1950	Dec. 1951	Nov. 1952	1951-2	1950-2
Manufacturing	108	125	131	5	21
Mining	125	139	151	8	21
Construction	109	125	135	8	23
Average	109	126	133	5	21
Average in Dec. 1950 dollars(2)	109	113	122	7	11

(1) Based on Dominion Bureau of Statistics figures.
(2) That is, adjusted for changes in the Consumer Price index.

During 1951 a good deal of the rise in money incomes went into additional personal savings which rose to an unusually high level. In 1952, however, there does not appear to have been any further increase in the annual amount of net saving and the rise in incomes went into larger consumption expenditure. Although there does not seem to have been any major change in net saving in 1952 as compared with 1951, there was a considerably greater increase in both personal assets and liabilities in 1952. The rise in personal liabilities was mainly in the form of consumer debt to which reference is made in the following section of this report.

As already mentioned, the rise in real wages during 1952 resulted from divergent trends in money wages and consumer prices. This divergence was possible because the upward effect of rising wage-rates on prices was more than offset in 1952 by certain special factors such as lower world prices for our imports, the higher foreign exchange value of the Canadian dollar and the decline in meat prices.

Price Indexes[1]
(1951 Average = 100)

	End of 1950[2]	End of 1951[2]	Average 1952	Dec. 1952[2]
CONSUMER PRICES				
All Items	95	104	103	102
Food	93	105	100	98
Non-Food	96	104	104	104
WHOLESALE PRICES				
All Items	94	99	94	92
Raw Materials	95	99	92	88
Manufactures	93	99	95	94

(1) Dominion Bureau of Statistics figures converted to the base 1951 = 100.
(2) Consumer price indexes are for January 1, 1951 and 1952 and December 1, 1952, and wholesale price indexes are for mid-December throughout.

MONETARY CONDITIONS ● The decline in chartered bank Canadian loans and non-Government investments which had been apparent in the latter part of 1951, continued until March 1952. Apart from seasonal factors the trend since that date was upwards and on the year the increase amounted to $302 millions. The changes which occurred in the main loan and investment categories are shown in the following table:

Estimated Changes in Chartered Bank Canadian Loans and non-Government Investments

(millions of dollars)

Canadian Loans	Dec. 31/51 to Mar. 31/52	Mar. 31/52 to Dec. 31/52	Dec. 31/51 to Dec. 31/52
Government and Other Public Services(1)	24	–52	–28
On Securities(2)	–57	161	105
Farmers	–23	53	30
Grain Dealers	– 4	84	80
Industry	27	–105	–79
Merchandisers and Instalment Finance Companies	–22	174	152
Other Business	–27	37	10
Personal (other than on securities)	– 8	46	38
	–89	397	308
Non-Government of Canada Investments			
Provincial	–30	54	24
Municipal	– 3	– 5	– 8
Corporate	–17	– 5	–22
Total	–50	44	– 6
Grand Total	–139	441	302
Grand Total excluding estimated loans for the purchase of Canada Savings Bonds and loans to grain dealers	–98	311	213

(1) Excluding Government of Canada.
(2) Including personal loans on the security of stocks and bonds.

The largest increase in bank loans during 1952 was associated with the upward trend in outstanding consumer credit. The latest available estimates of total consumer credit are for September 30th, and show an increase of $293 millions since the end of 1951. Normal seasonal factors may be counted on to result in a further rise during the final quarter of the year. The increase in consumer credit mainly affected bank loans to instalment finance companies, merchandisers and personal loans.

The rise in bank loans on securities shown in the above table was accounted for by several items. Included in this category are advances for the purchase of Canada Savings Bonds, other loans to individuals against stocks and bonds, loans to bond dealers and stock brokers, and to sundry financial institutions. All of these categories showed some increase in 1952.

Other bank loans to show a considerable increase during 1952 were those associated with rising agricultural output and inventories. Advances to grain dealers rose $80 millions and to farmers by $30 millions. In the case of loans to farmers most of the increase was in Farm Improvement Loans which are mainly for the purchase of agricultural machinery.

Provinces, municipalities and corporations all found it necessary to borrow on a substantial scale in order to finance their capital expenditures but, on the whole, did so through the issue of securities to the public at home and abroad rather than by borrowing from or selling securities to the banking system.

In the case of the Federal Government increasing expenditures for defence and other purposes reduced the overall cash surplus available for retirement of domestic funded debt from $368 millions in calendar year 1951 to an estimated $66 millions in calendar year 1952. The downward effect of all Government of Canada transactions on the general public's total holdings of liquid assets is shown in the Related Factors section of the following table:

General Public Holdings of Certain Liquid Assets

(millions of dollars)

	As at June 30 1950	CHANGES June 30/50 to Dec. 31/51	CHANGES 1952	CHANGES June 30/50 to Dec. 31/52	As at Dec. 31 1952
Liquid Assets					
Currency & Active Bank Deposits	4,525	318	330	648	5,173
Inactive Notice Deposits	3,839	55	235	290	4,129
Gov't of Canada Securities	9,866	–478	–326	–804	9,062
Total Liquid Assets	18,230	–105	240	135	18,365
Related Factors					
Foreign Exchange Financing					
B. of C. net For. Exch.		49	–47	2	
Gov't Loans to Exch. Fund		555	96	651	
		604	49	653	
All other Gov't transactions(1)		–1,204	–214	–1,418	
Chartered Bank Loans and Non-Gov't investments		523	302	826	
All Other		–28	102	74	
Total changes in Related Factors		–105	240	135	

(1) Including overall Government cash surplus and changes in guaranteed debt and Government Accounts.

The net result of all factors was an increase in general public's total holdings of liquid assets of $240 millions in 1952 as compared with a decrease of $105 millions in the period June 30, 1950, to December 31, 1951. As the statistics in the above table indicate, there has been a decline in holdings of Government of Canada securities and an increase in both inactive and active bank deposits and currency.

In view of the favourable developments to which reference has been made in the Economic Conditions section of this report, the special direct restrictions on consumer and bank credit adopted in 1950 and 1951 were removed in May 1952 leaving normal methods of central bank action to influence the level of total bank credit.

CHARTERED BANK CASH RESERVES ● In the latter part of 1951, under circumstances which were described in last year's Annual Report, both the absolute amount and the ratio to deposits of banks' cash reserves had increased. By the middle of 1952, cash reserves were considerably lower and the ratio to deposits was under 10 percent. During the remainder of the year there was considerable fluctuation in banks' cash ratios. In part such fluctuations were associated with banks' sales of shorter-term Government of Canada securities in order to maintain their cash position. On a daily average basis the ratio of cash to Canadian deposits was 10.2 percent in the second half of 1952 as compared with 10.6 percent in the first half of 1952 and in the second half of 1951.

Effect on Chartered Bank Cash Reserves of Changes in Bank of Canada Accounts
(millions of dollars)

Changes during Calendar Year 1952	Changes Producing a Decrease in Cash Reserves	Changes Producing an Increase in Cash Reserves
Increase in holdings of Gov't of Canada and Provincial Gov't securities		35.9
Increase in Notes held by the Public	97.6	
Decrease in Gov't of Canada Deposits		74.0
Decrease in Other Deposits		21.6
Decrease in net foreign currency assets	47.1	
Increase in other assets less other liabilities		20.4
	144.7	151.8
Deduct		144.7
Increase in Chartered Bank Cash Reserves		7.1

Over the year 1952, the absolute amount of banks' cash reserves increased by $7.1 millions. Changes in Bank of Canada accounts which produced this net result are shown in the preceding table.

SECURITY MARKETS ● Yields on long-term Government of Canada bonds showed only a slight rise during 1952. In general, there was considerably less pressure on the market for such issues than was the case in 1951. For example, Canadian life insurance companies' holdings of Government of Canada securities are estimated to have declined much less in 1952 than in 1951.

On balance the market for shorter-term maturities of Government securities was not as favourable as for long-term issues. The Government had less funds available for debt retirement than was the case in 1951 when there was a substantial overall cash surplus mainly used to pay off maturing short-term securities. As already mentioned, the chartered banks were frequently net sellers of short-term maturities in an effort to improve their cash reserve position. For such reasons sellers were at times more evident in the market than willing buyers and short-term yields rose appreciably during the second half of the year. The spread between long and short-term yields became narrower than at any time during the past 20 years.

Yields on Government of Canada Bonds
(Based on theoretical maturities)

Maturity	Yield at Dec. 31, 1951	Yield at Dec. 31, 1952	Increase
One Year	1.71%	2.88%	1.17
Two Years	2.20%	3.08%	.88
Five Years	2.83%	3.55%	.72
Ten Years	3.48%	3.70%	.22
Fifteen Years	3.52%	3.62%	.10

Net new issues of non-Government of Canada bonds were somewhat larger in 1952 than in 1951, with the increase being accounted for in total by larger offerings in the domestic market rather than borrowings abroad. However, within the overall picture there were considerable differences. Provincial governments borrowed the major part of their requirements in the domestic market in 1952 rather than abroad as in 1951. Corporations, on the other

hand, obtained a large part of their borrowings in 1952 through sales of bonds abroad, whereas in 1951 there had been no net corporate borrowing abroad. Yields on outstanding high-grade non-Government of Canada bonds on the whole did not rise appreciably during 1952 but in the case of new issues there was some further increase in the cost to borrowers.

Estimated Net New Issues or Retirements (-) Payable in Canada or Abroad

(millions of dollars)

	Payable in Canadian Dollars only		Payable Wholly or Optionally Abroad		Total	
	1951	1952	1951	1952	1951	1952
Provincial Bonds[1]	– 2	176	221	63	219	239
Municipal Bonds	85	122	68	23	153	145
Corporate Bonds	273	214	–11	158	262	372
Total Bonds	356	512	278	244	634	756
Corporate Stocks					177	234
Total					811	990

(1) Including both direct and guaranteed issues.

INTERNATIONAL TRADE RELATIONSHIPS ● The fact that Canada has been enjoying a high level of exports, particularly of staple products, in recent years should not be allowed to reduce our concern at the continued failure of the world to establish a stable system of international payments, which is not dependent on special financial assistance from one country to another, and which permits of the balanced growth of international trade in all types of products. At the end of the war, Canada joined with other nations in setting as a goal the restoration of economic arrangements among nations based on currency convertibility and non-discrimination in trade. This was done in the belief that such policies offered the only sound basis on which to conduct international trade. To help accomplish these objectives, certain international agreements were entered into, in particular those relating to the International Monetary Fund and the General Agreement on Tariffs and Trade.

As it was recognized that time would be needed for many of the countries most seriously affected by the war to restore the productive capacity of their economies, these agreements permitted considerable freedom in the use of trade and exchange controls for a period of transition after the war. To help these countries get over the difficult first stage after the end of the war, the United States and Canada provided large-scale financial assistance.

More than seven years have now passed since the end of the war and it must be acknowledged that the world is still far from the goals of currency convertibility and non-discrimination; indeed, restrictions on trade and payments are in many cases more rather than less severe than they were some years ago.

This state of affairs cannot be attributed to any general failure to achieve recovery in output as world production has been well above pre-war levels for some time past. Rather, the problem has been that there have been too many competing demands upon the available resources and this has had as a consequence a general situation of strain and recurrent balance of payments crises. Major reliance in dealing with these difficulties has been placed on trade and currency controls which have, however, merely been able to suppress for a period the symptoms without eliminating the underlying causes of the exchange difficulties. Indeed, there seems little doubt that over a period of time the effect of these restrictions is to aggravate the exchange problem, since they encourage the uneconomic use of resources by providing shelter for inefficient production in protected markets and by rendering production for "hard currency" markets less profitable.

In recent times there have been some encouraging signs of a change in the approach to some of these problems in certain important countries. To an increasing extent the connection between internal finance and the external position has been taken into account in the formulation of policies. Moreover, there seems to be a greater awareness than has been apparent in the past of the weakening effects of severe import restrictions and discriminations on the economies of the countries relying heavily on these policies over an extended period of time — effects which manifest themselves in loss of competitive capacity and distortions in the structure of investment and production.

The achievement of international balance and a properly functioning international economic system is no easy task and will require the collaboration of surplus as well as deficit countries. If it is the primary responsibility of the deficit countries so to conduct their affairs that there is available for export a sufficient quantity of goods at competitive prices, so is it the primary responsibility of the surplus countries to allow competition from abroad to take place, and not to prevent but rather to encourage an increased inflow of goods. There is no need to underline the importance in this connection of the policies pursued by the United States. The difficulties confronting the deficit countries in changing the general direction of their policies along the lines indicated in the preceding paragraph are very great, and it is clearly in the general interest that efforts on their part to accomplish this change should receive not only sympathetic encouragement but also active support. Actions of the United States with respect to imports have a significance which cannot be measured merely by the volume of trade directly affected in any particular case. The difficulties involved in the deficit countries achieving balance through an increase in "hard currency" exports rather than by continuing to rely heavily on import restrictions and discrimination may well appear to them insuperable if United States actions limit severely their chances of earning dollars by competing in the American market. Restrictions in the United States cannot fail to encourage restrictions elsewhere.

The foreign economic policy of the United States has been directed, since the end of the war, towards assisting the economic recovery of friendly countries. In the present circumstances, when political tensions have made it necessary for the countries of the Western World to assume large additional burdens of defence, it is more than ever essential, in the interests of security as well as prosperity, that countries avoid policies which weaken their basic economic structure. There is ample evidence to support the view that severe and long-continued restrictions on international trade do have this effect and, as indicated above, there is increasing recognition of this fact in many countries. It is greatly to be hoped that the policies of the United States will be of a character which gives encouragement and support to a fresh effort to attain international balance with less reliance on weakening restrictions and by methods which increase the underlying strength and efficiency of the economies of the Free World.

NOTES IN CIRCULATION • The Bank of Canada note circulation at December 31st, 1952, was $1,561,193,061, an increase over the year of $97,032,275 as compared with an increase of $96,738,946 in 1951. Of the total amount of our notes outstanding on December 31st, 1952, $273 millions were held by the chartered banks and $1,289 millions by other holders. The increase in notes held by others than chartered banks in 1952 was $98 millions.

OTHER SECURITIES • At December 31st, 1952, the Bank held under the heading of "Other Securities" debentures of the Industrial Development Bank amounting to $5,787,509, an increase of $3,030,265 as compared with the same date last year.

PUBLIC DEBT OPERATIONS • Arrangements were made during the course of the year for the seventh series of Canada Savings Bonds. Sales totalled $341 millions at December 31st, 1952, of which $180 millions were under the Payroll Savings Plan and $161 millions were non-payroll sales. Total sales of $341 millions compared with $360 millions for the sixth series during 1951. The overall yield on series seven issue to maturity is 3.44 percent per annum. At December 31, 1952, the outstanding amount of Canada Savings Bonds of all series was $1,209 millions as compared with $1,102 millions at the same date last year. On February 1, 1952, Government retired the remaining $50 millions of the 3¼% first war loan. On November 1st, there were maturities of $300 millions 1½% and $300 millions 1¾% Government issues. Two new issues, a 2% issue maturing November 1, 1953 priced to yield 2.97%, and a 2% issue maturing December 15, 1954 priced to yield 3.10%, totalling $450 millions, were sold to provide the major part of the funds required to meet the $600 millions of maturities on November 1st. The remaining $150 millions was paid off out of the Government's cash resources.

Deposit Certificates held by the chartered banks, outstanding in the amount of $200 millions at the end of 1951, were refunded on February 27th and again on August 27th; a new issue of $100 millions of these Certificates was sold to the banks on July 23rd and paid off on November 17th, leaving the total of Deposit Certificates outstanding at December 31st, 1952 at $200 millions

PROFIT AND LOSS • The net profit from our operations in 1952 after providing for contingencies and reserves was $29,016,710.42. Payment of a dividend of $225,000 on capital

stock held by the Minister of Finance left \$28,791,710.42 available as compared with \$24,018,017.44 in 1951. The increase in the Bank's net profit in 1952 was attributable to an increase in the average interest yield on investments. Under Section 31(c) of the Bank of Canada Act, the whole of the Bank's surplus was paid to the Receiver General to be placed to the credit of the Consolidated Revenue Fund.

BANK RATE ● The Bank Rate remained unchanged during 1952 at 2 percent.

STAFF ● The staff of the Bank numbered 764 on December 31st, 1952 as compared with 1,186 a year ago. Of the decrease, 337 was a consequence of the Government's decision in December 1951 to discontinue foreign exchange control and the balance of 85 was due to a reduced volume of certain routine work, and a programme of simplification and mechanization of routine procedures.

I would again like to record my appreciation of the loyal service and cooperation rendered by the staff during the year.

Yours very truly,

G. F. TOWERS, *Governor*

STATEMENT OF ASSETS AND LIABILITIES

LIABILITIES

Capital Paid Up:			
Authorized and issued — 100,000 shares par value $50 each .		$	5,000,000.00
Rest Fund			10,050,366.82
Notes in Circulation . . .			1,561,193,060.93
Deposits:			
Government of Canada	44,945,805.22		
Chartered banks .	626,629,986.70		
Other . . .	44,510,936.92		716,086,728.84
Liabilities payable in Pounds Sterling, U.S.A. dollars and other foreign currencies:			
To Government of Canada	78,547,041.50		
To Others . .	4,386,741.41		82,933,782.91
Dividend Declared:			
Payable January 2nd, 1953 . . .			112,500.00
All Other Liabilities			6,027,272.29
			$2,381,403,711.79

AUDITORS' REPORT ● We have made an examination of the above statement of assets and liabilities of the Bank of Canada as at December 31st, 1952 and have received all the information and explanations we have required. We report that, in our opinion, it correctly sets forth the position of the Bank at December 31st, 1952 according to the best of our information and as shown by the books of the Bank.

E. J. Howson, F.C.A.,
of Thorne, Mulholland, Howson & McPherson

Jean Valiquette, C.A.,
of Anderson & Valiquette

Ottawa, Canada, January 23rd, 1953.

ASSETS AND LIABILITIES

AS AT DECEMBER 31st, 1952

ASSETS

Foreign Exchange:		
Pounds Sterling and U.S.A. dollars — at market value	77,084,868.33	
Other currencies — at market value	109,780.13	$ 77,194,648.46
Subsidiary Coin		402,237.35
Investments — at values not exceeding market:		
Short term securities issued or guaranteed by Government of Canada or any Provincial Government	1,459,819,459.75	
Other securities issued or guaranteed by Government of Canada or any Provincial Government	767,173,559.49	
Other securities	13,042,535.37	2,240,035,554.61
Industrial Development Bank:		
Total share capital, at cost		25,000,000.00
Bank Premises:		
Land, buildings and equipment — at cost less amounts written off		5,081,885.93
All Other Assets		33,689,385.44
		$2,381,403,711.79

G. F. Towers, *Governor*　　H. R. Extence, *Chief Accountant*

PROFIT AND LOSS ACCOUNT

For the year ended December 31st, 1952

PROFIT FOR THE YEAR ENDED DECEMBER 31ST, 1952 after making provision for contingencies and reserves		$29,016,710.42
APPROPRIATED AS FOLLOWS: Dividends for the year ended December 31st, 1952 at the rate of 4½% per annum:		
No. 36 paid July 2nd, 1952	$112,500.00	
No. 37 payable January 2, 1953	112,500.00	225,000.00
BALANCE TRANSFERRED TO THE RECEIVER GENERAL OF CANADA for credit to the Consolidated Revenue Fund . . .		$28,791,710.42

BOARD OF DIRECTORS

•

G. F. Towers, C.M.G., *Governor*

J. E. Coyne, *Deputy Governor*

E. G. Baker, *Toronto, Ont.*

W. D. Black, *Waterdown, Ont.*
Member of the Executive Committee

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N. A. Hesler, *Sackville, N.B.*

W. A. Johnston, Q.C., *Winnipeg, Man.*

A. Stewart McNichols, *Montreal, Que.*

R. H. Milliken, Q.C., *Regina Sask.*

C. J. Morrow, *Lunenburg, N.S.*

A. C. Picard, *Quebec, Que.*

A. Pickard, *Charlottetown, P.E.I.*

H. A. Russell, *St. John's, Nfld.*

A. C. Taylor, C.B.E., *Vancouver, B.C.*

EX-OFFICIO

K. W. Taylor, C.B.E., *Deputy Minister of Finance, Ottawa, Ont.*

OFFICERS

•

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L. P. Saint-Amour, *Assistant Deputy Governor*
D. G. Marble, c.b.e., *Secretary*
L. Rasminsky, c.b.e., *Executive Assistant to the Governors*
J. R. Beattie, *Executive Assistant to the Governors*
R. B. McKibbin, *Securities Advisor*
H. R. Extence, *Chief Accountant*
E. Metcalfe, *Auditor*

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L. F. Mundy, *Deputy Secretary*
C. H. Richardson, *Deputy Secretary*
L. P. J. Roy, *Deputy Secretary*

Currency Division: H. W. Thompson, *Acting Chief*
J. U. Ranger, *Deputy Chief*

Public Debt Division: M. G. Anderson, *Chief*
F. M. Peters, *Deputy Chief*

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J. E. Howes, *Assistant Chief*
W. E. Duffett, *Assistant Chief*
R. W. Lawson, *Assistant Chief*
G. S. Watts, *Research Officer*
B. J. Drabble, *Montreal Representative*

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C. H. Broughall, *Assistant Chief*
J. B. MacFarlane, *Assistant Chief*
J. W. Grant, *Toronto Representative*
C. de V. Welsford, *Montreal Representative*

FOREIGN EXCHANGE DEPARTMENT

S. Turk, *Chief*
W. A. Cameron, *Deputy Chief*
P. Watt, *Toronto Representative*

STAFF DEPARTMENT

P. D. Smith, *Chief*; Miss M. K. Rowland, *Deputy Chief*

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Saint John, N.B. . . .	R. J. Lillie, *Agent*
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